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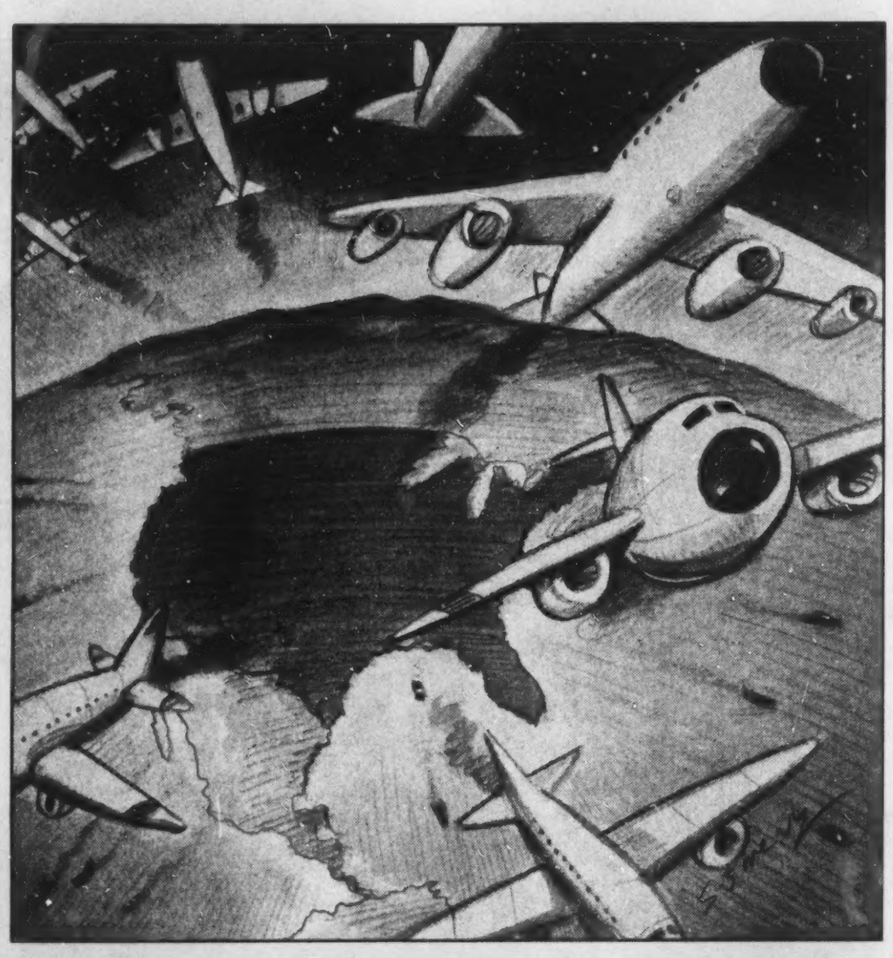

U.S. companies making inroads in export war

By Edward McKinley

NATIONAL REPORT — In hectic Manhattan, the recent opening of a small office went largely unnoticed.

And few passersby would guess this was another outpost in a brilliantly waged onslaught against America's trade deficit.

Ames Lawn & Garden Tool Co. of Parkersburg, W. Va., started the New York branch to handle sales overseas, thus demonstrating the kind of commitment to exporting that is balancing trade in the hardlines and forest products industries.

The recent announcement of Black & Decker's venture with a Japanese firm to distribute its power tools in that country (*NHCN*, Oct. 31) only highlights the success many suppliers in this industry have had exporting at a time when U.S. manufacturers in general have struggled with marketing their wares overseas.

(Continued on page 87)

Coast sale produces fifth largest hardlines distributor

By Gary S. Ruderman

ST. PAUL, Minn. — In one $110 million cash deal, American Hoist & Derrick Co. (Amhoist) became the parent company of a $680 million hardware distribution empire that stretches, appropriate to its name, from "coast to coast."

The merger late last month between the Denver-based franchised wholesaler CoastAmerica Corp. and Amhoist adds an estimated 1,600 Coast to Coast Stores and some 800 retail accounts serviced by Globe Distributors to the existing dealer base of 1,600 accounts of Amhoist's subsidiary, Farwell, Ozmun, Kirk & Co. (FOK), the South St. Paul, Minn.-based hardware wholesaler.

"Amhoist will be transformed from a diversified manufacturer and distributor into a focused hardlines wholesaler, . . . " said Amhoist president and ceo Robert Nassau in a prepared statement. With the merger, Amhoist claims to be the fifth largest non-member-owned hardlines wholesaler in the United States.

(Continued on page 86)

AMHOIST AT A GLANCE

Company	Estimated '88 Sales	DC's	Accounts	States of Distribution
Farwell, Ozmun, Kirk	$140 million	3	1,600	40
CoastAmerica	$425 million	3	1,000	38
Globe Dist.	$115 million	2	4,000	42
Amhoist Mfg	$160 million	—	—	—

Source: *NHCN* interviews/Amhoist *NHCN* chart

With the purchase of CoastAmerica, Amhoist adds an extensive distribution network, giving it nationwide reach.

Market baskets boost impulse buying

Channel has been successful in boosting impulse buys with its Market Basket program. It now plans to include higher priced items and more variety in the baskets. NHCN photo

By an NHCN staff editor

WHIPPANY, N.J. — One of the more innovative bargain merchandising concepts in the industry—Channel Home Centers' Market Basket Program—is changing to include higher priced products and more variety in its mix.

Merchandising

Channel's Market Basket, the brainchild of company president Lee Berger in 1981, continues as an attractive arrangement of dozens of bushel baskets packed with small, fast-moving, low-priced houseware and hardware products. A kind of signature department for the company, the Market Basket format—called

(Continued on page 88)

Lloyd's future still uncertain as chain remains on sellers block

By Elizabeth Brent

DANBURY, Conn. — The 35-unit Lloyd Home & Building Centers is still on the block.

Its parent, American Maize Products Co., is once again in the "process of evaluating several offers to purchase its building materials business," according to a press release issued by the corporation on Oct. 26.

Company officials at American Maize and Lloyd Home Centers declined to elaborate further.

Earlier in September, American Maize announced that it had sold Lloyd's for $25 million to an investment group generally acknowledged by sources familiar with the company to be led by Kidder Peabody & Co. The deal was subject to the negotiation and execution of a definitive purchase agreement.

Neither Kidder nor representatives from Lloyd nor American Maize would confirm that this deal had been struck.

NHCN was unable to surmise definitively what Kidder's plans for Lloyd

(Continued on page 87)

How bad is business? Dealers disagree on both causes and cures for soft sales

By Milford Prewitt

NATIONAL REPORT — Which of the following reasons is responsible for the pessimism and the lackluster performances some home center operations have been experiencing this year?

News Analysis

A) The drought;

B) The nationwide drop in housing starts;

C) The rise in interest rates;

D) The plummet of commodity prices;

E) Consumer uncertainty in an election year;

F) All of the above.

These multiple choice answers were provided by home improvement retailers who were searching to find causes for the softening in sales and profit their companies have sustained.

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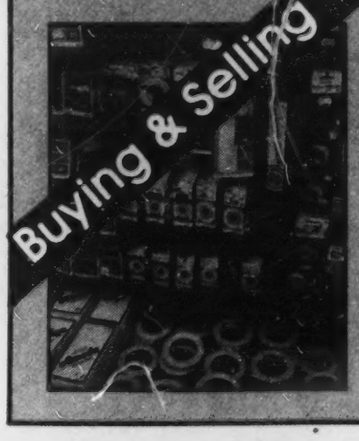


Dealers turn to paint sundries to boost thin margins 45
Home centers lose sundries sales 48

NEWSBREAKS

SERVISTAR MAKES $30 MILLION PRIVATE PLACEMENT: The industry's third largest hardware co-op is in the final stages of negotiating the deal, expected to be consummated by the end of November. Pittsburgh National Corp. is the broker and two insurance companies—Travelers and Massachusetts Mutual—are purchasing the bonds, which will fund expansion of ServiStar's headquarters and distribution center and allow it to convert some short-term debt to long-term.

INDUSTRY UPDATE

Credit group rejects Wyeth offer

CHICAGO — A credit managers' group appears unable to accept The Wyeth Co.'s offer of $3.6 million to settle debts owed to hundreds of unsecured creditors, many of whom are vendors represented by the group.

The Chicago Midwest Credit Service Corp. said in late October that Wyeth's proposal of 15 cents on the dollar was "not a proposal we could recommend," according to Bernard Chaitman, Chicago director. That was the crux of a letter from the organization sent to creditors Oct. 24.

"It's inadequate for an out of court settlement," Chaitman told *NHCN*. Yet he said creditors were "fed up" with the Chapter 11 bankruptcy option that offers protection from creditors during reorganization. Creditors would rather have seen Wyeth, based in St. Joseph, Mo., offer 15 percent to 20 percent in cash in addition to a payout plan. (*NHCN*, Oct. 17). On Oct. 21, Wyeth sent out a separate ballot to creditors offering cash payouts to those owed less than $200 and 3 percent in cash by Dec. 31 to all others. The wholesaler's plan additionally calls for a 12 percent payout in 4 p cent increments over the next three years.

Wyeth officials confirmed that the wholesaler is on a cash-in-advance basis with most of its suppliers.

Fullerton opens, closes 2 units

MINNEAPOLIS — The Fullerton Lumber Co.'s store count remains at 27 after two recent openings and closings in Minnesota. The new lumberyard, with 2,500 square feet of retail space, opened in Dayton, Minn., on Oct. 1 and officials celebrated with a grand opening Oct. 28. The Dayton store replaced the company's 25-year-old unit, which closed in nearby Elk River, Minn., just northwest of the Twin Cities area.

Fullerton also closed its 35-year-old downtown Rochester, Minn., store and plans to reopen another yard with 10,000 square feet of retail space in anoth.. part of that city on Nov. 10. Rochester has grown in recent years and it did not pay to keep a lumber yard there with the increasing ost of land, according to a Fullerton spokesman.

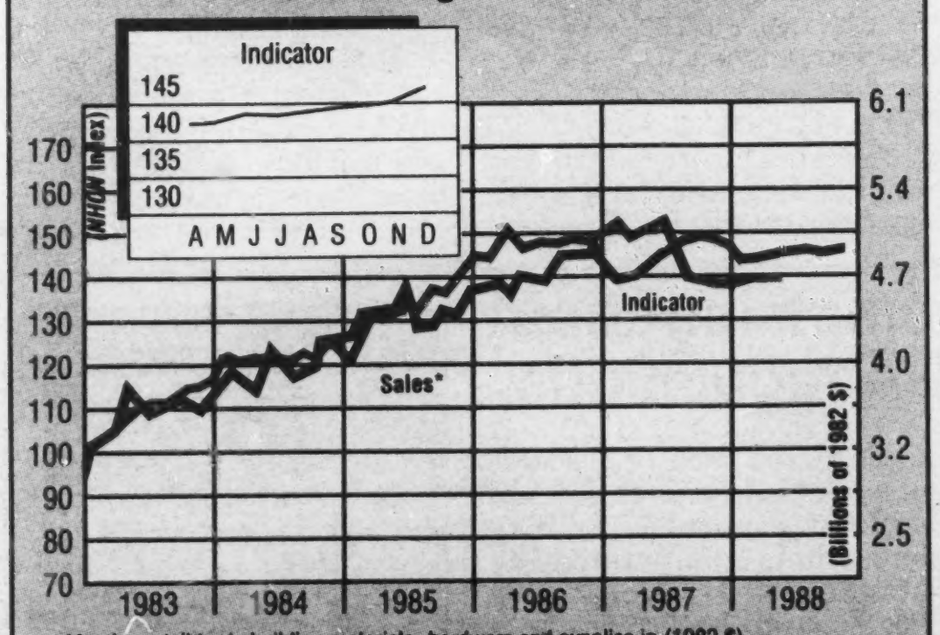
Like all of its units, the two new lumber yards will cater primarily to the professional contractor. In addition to Minnesota, Fullerton operates lumber yards in Montana, South Dakota, Nebraska, Iowa, Wisconsin and Illinois.

Stor opens in second location

TUSTIN, Calif. — Stor has opened its second location, a 150,000-square-foot, two-level facility in a new Orange County home improvement-related shopping center complex that will include a Home Depot scheduled to open next spring. Stor, which specializes in low-price, RTA furniture, was launched last fall by former home center industry executives. Its first location, also 150,000 square feet, is in City of Industry, near downtown Los Angeles.

Joining Stor in its Oct. 19 grand opening was 54,000-square-foot Home Express, a home-furnishings chain. They are the first tenants of the Market Place Regional Shopping Center located in southern Orange County.

NHCN Leading Sales Indicator



*—Monthly retail trade building materials, hardware and supplies in (1982 $).

Indicator—represents an estimate offuture building material retail sales (adjusted for inflation) relative to Jan. 1980, based on current levels of housing starts and resales, personal income, interest

The NHCN Leading Indicator is pointing to a small gain in building material sales in the fall due to improvements in resales and incomes. ***Business Watch*** *(page 73) highlights the improved prospects for South Atlantic states in 1988.*

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Subsidiaries not likely to be affected by Wickes acquisition

By Brad Altman

LOS ANGELES — Layoffs at Builders Emporium and Orchard Supply Hardware are not anticipated despite parent Wickes Cos.' expected acquisition by two New York investment companies.

"It is unlikely that this change in ownership of Wickes will have any direct effect on Builders Emporium," Jack Edwards, president of the Irvine, Calif.-based chain, said in a memo to employees.

Employees at San Jose, Calif.-based Orchard Supply Hardware were given similar assurances, sources told *NHCN*. However, reductions are planned for the 150-person Wickes corporate headquarters staff in Santa Monica, Calif., but not until early next year.

And according to documents filed with the Securities and Exchange Commission, the new owners of Wickes are contemplating the sale of a "significant amount of Wickes assets" that could include most or all of the corporation's retail operations, which also include Wickes Furniture and APS, an auto parts chain.

In a memo to headquarters personnel, Wickes chairman Sanford C. Sigoloff said "No decision had yet been made" about how many employees will lose their jobs when new owners—Blackstone Capital Partners L.P. and Wasserstein, Perella Partners L.P.—take over.

The two firms bid jointly to acquire Wickes in a two-step cash and stock transaction valued at $11.25 a share, for a total of $538.9 million.

The deal, unanimously approved by Wickes' eight directors, should be completed in early December. Wickes will stop trading on the New York Stock Exchange and become privately held.

The 58-year-old Sigoloff, who pulled Wickes out of bankruptcy three years ago, will end his six-year tenure as Wickes chairman, president and ceo. Sigoloff and other Wickes executives will receive golden parachute payments of approximately $20 million.

The "new" Wickes, which consists of retailing, automotive products, wallcoverings and fabrics businesses, will be called WCI Holdings and will be run by co-chairmen.

They are James R. Birle, 52, a Blackstone partner and ex-senior vp of General Electric, and Robert B. McKeon, 34, a partner in charge of merchant banking at Wasserstein Perella.

As *NHCN* went to press, Birle and McKeon were "visiting [Wickes] facilities to meet people and answer questions," a Wickes official said.

(Continued on page 86)

Sears seeks new headquarters as it plots marketing strategy

By an NHCN staff editor

CHICAGO — John Parsons, Sears' vp-home improvement, will now be charged with finding new headquarters for the nation's largest retailer.

The 57-year-old Parsons was named vp-special projects and will be concentrating on finding alternative locations for the 8,000 Sears employees who will be moving out of the 110-story, 3.7 million-square-foot Sears Towers, which the company is putting on the market.

He was unavailable for comment at press time.

The sale of the world's tallest building, from which Sears hopes to raise around $1 billion, is part of a major restructuring Sears announced last week to bolster its standing with its shareholders, who have complained for several years about the company's low return on shareholder equity, which rose only 4 percent in fiscal 1987.

The company's stock price of around $42 is considered far below the breakup value of the company. And through the first nine months of 1988 ending Sept. 30, the company's earnings per share were down 18 percent, to $2.35.

The company's announcement is also seen by analysts as Sears' attempt to protect itself from being taken over during a period of manic megabuyouts that include the $21 billion deal for RJR Nabisco.

Sears' restructuring will include reverting to everyday low prices in 825 retail stores,

(Continued on page 86)

Lacey departs Molson to head U.S. firm

By an NHCN staff editor

TORONTO — John Lacey has resigned as executive vp of Molson Cos.' retail merchandising division to become president of Northern Automotives Corp., the second largest automotives chain in sales in the U.S., but one that has been financially shakey because of its rapid expansion in recent years.

Lacey told the parent of Beaver Lumber he was leaving a few months ago, said one company source. He started with Northern on Oct. 31, but could not be reached for comment. His replacement at Molson hasn't been named.

Northern Automotives, based in Phoenix, Ariz., operates around 850 stores with estimated sales last year of $650 million. The company, which is controlled by a Northern Pacific subsidiary of The Trump Group, has been expanding since investors Eddie and Julius Trump took over the Schuck's auto chain as part of their acquisition of Pay 'N Save in 1984.

John Lacey has left Canada's Molson Cos. to become president of Northern Automotives in Phoenix, Ariz. NHCN photo

Over the past several years, the company has grown through acquisition of the Checker and Kragen chains (bought from Lucky Stores). This year it bought the Autoworks chain from Perry Drug, and the Crown Auto and U-Save Auto Parts organizations. It ranks second behind the Western Automotives chain in sales.

However, all this expansion has placed considerable pressure of Northern's cash flow; after going through several months of having trouble paying its bills, company officials

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Courtesy Home Centers' express van program delivers increased sales

By an NHCN staff editor

CHICAGO — When the bitter winter winds return to Chicago, a lot of homeowners will be looking out for Courtesy's Express Van.

"We're looking forward to winter time to help shut-ins with snow shovels and salt," explained Jim Ross, manager of one of the six Courtesy Home Centers in and around Chicago.

The Courtesy Express vans are the culmination of a five-month experiment by the chain, which is based in suburban Mount Prospect.

The standard size Chevy vans can carry up to 16-foot long loads, yet still maneuver small residential and even busy downtown streets easier than the regular enclosed lumber delivery trucks.

Fifteen percent of the store's sales involve delivery, and deliveries are up 10 percent over 1987, Ross said.

Ninety percent of a van's time is used in making deliveries of customer-purchased materials aiding Courtesy's 24-hour delivery guarantee, according to Ross.

Courtesy originally started with a 48-hour guaranteed delivery schedule. But two months after starting the van service, the guarantee was improved to 24 hours on in-stock merchandise. The vans free up the delivery trucks taking large loads like lumber, and permit Courtesy to make last minute deliveries.

Courtesy's Gerardo Arambula is one of the drivers who helps the Chicago area retail chain keep to a twenty-four-hour delivery policy for customer orders. NHCN photo

Ross cited an example from early in the test program when one customer purchased a pair of mirrored closet doors. The customer tried to tie them onto his car's roof but had second thoughts and returned inside with the doors.

"We offered to follow him home with the doors in the van. He was really surprised," Ross recalled. Courtesy charges a flat $15 for delivery within a five-mile area.

"Older people really like it" when the van pulls up, said Gerardo Arambula, 20, the Courtesy Express driver at the South Pulaski Avenue store. "They like the van service because they can't load up their own cars anymore. We help them inside with [purchases]."

Customers can even order merchandise over the phone for delivery, such as a snow shovel or ice salt. The possibility exists that a customer with a water heater problem could have it delivered and, with Courtesy's installed sales option, have it installed, too.

The other 10 percent of the van's road time is used to shift merchandise between stores and make last-minute pickups of advertised items from local vendors.

New Jersey's proposed lien law revisions spell trouble for lumber dealers

By an NHCN staff editor

TRENTON, N.J. — A series of legislative proposals that seek to rewrite New Jersey's lien laws and create new legislation for contractor home repairs are troubling lumber dealers in the state.

Two proposals in the state legislature here would change the scope of the state's lien laws by setting monetary limits on the amount of indebtedness a debtor could sustain before creditors or suppliers could file a lien. An unrelated proposal would require contractors to put in writing the scope and duration of their work at a person's home.

The New Jersey Lumber & Building Material Dealers Association (NJLBMDA) are opposed to the measures and are seeking discussions with the bills' sponsors.

According to Phoenix Smith, legislative director of the NJLBMDA, one of the points in dispute with the proposal, which is supported by the International Brotherhood of Electrical Workers, is that it allows contractors to be paid in addition to suppliers when a lien is enforced.

Moreover, the legislation would permit a lien only when the amount owed exceeds $5,000 for materials furnished or delivered. Smith said the Home Repair Contract Amendments bill is disturbing to lumber dealers with repair and remodeling operations.

What is most disturbing about the bill, Smith explained, is that the proposal, if passed, permits a homeowner to pay $400, or 5 percent—whichever is less—as a down payment of the total cash price of a project to a contractor. Smith thought this amount to be paltry and inadequate to cover the sizable initial outlay of expenses contractors make for materials, shipping, labor and other costs.

She gave an example of a $25,000 room addition. Under the new law, a homeowner would have to pay $1,250, an amount that would not cover a contractor's start-up costs.

Smith said the Home Repair Contract bill grew out of political backlash to a series of news reports about homeowners being victimized by fraudulent and unskilled contractors in the New York metropolitan area.

She said one piece of evidence used to support the bill was a report that 2,500 New Jersey homeowners have filed complaints with the Division of Consumer Affairs against contractors who had worked on their homes.

Other features of the Home Repair Contract bill include a requirement that the contractor put in writing the start and completion dates of the project, that any warranties or guaranties also be written into the contract, and expands to seven days from three the amount of time a homeowner has to cancel the contract.

NAW updates its study on the future of wholesaling

By an NHCN staff editor

SEATTLE — By 1995, nearly a quarter of all wholesalers will either go out of business or be absorbed by larger companies through consolidation.

Remaining distributors will dedicate a much bigger chunk of their "technology" budget to sales and marketing instead of administration and accounting costs.

Over the next seven years, margins will continue to shrink for wholesalers, and the average distributor will deal with 20 percent fewer vendors, even though it typically will be stocking 25 percent more items and 40 percent more product lines.

And overall, the wholesale-distribution industry's sales will continue to grow at a faster percentage rate than the projected Gross National Product.

These were but some of the expectations that were given to wholesalers and manufacturers attending last month's National Hardware Convention here by Patrick Dolan, project director for Arthur Anderson & Co.

The accounting firm has just completed updating its comprehensive 1982 study on wholesaling for the National Association of Wholesalers' Distribution Research & Education Foundation (DREF).

The current 120-page study, known as "Facing the

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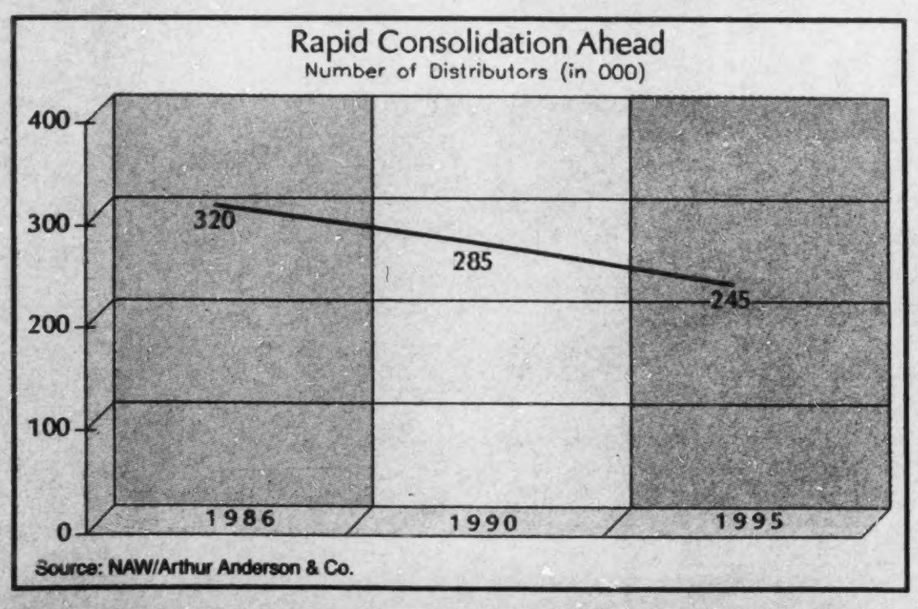

The chart shows the expected decline in the number of distributors as predicted in the NAW's updated study on wholesaling.

Lee Lumber fills a Chicago void

By an NHCN staff editor

CHICAGO — Lee Lumber plans to fill a void on Chicago's north side left by four different retailers that have closed stores within a one-mile radius.

Lee is a 37-year-old single-unit yard on the city's south side that depends primarily on remodelers and commercial accounts for its $15 million in sales. The store was literally out of room as sales continued to grow. Traffic jams developed in the tunnel-like warehouse between customer trucks and Lee's outgoing delivery trucks.

And in the last several years, president Rick Baumgarten saw two-thirds of Lee's deliveries going to the city's fast-growing and competitive north side.

Last month, Lee opened its second unit, acquired in August, on the city's north side in an area that has been without lumber and building materials retailers for the last year.

Joseph Lumber closed all stores when the family operation ran out of interested heirs; the single-unit Preskill Lumber burned down and was never rebuilt; the multiunit Plywood Minnesota of Illinois was liquidated in bankruptcy, and the small White Eagle Lumber closed.

Baumgarten figured the four defunct operations had sales totaling $18 million. "Now we come in and we'll be all those places combined in one location and more so. We're filling a void," he said.

Lee, which acquired the 53,000-square-foot warehouse from Plywood Minnesota of Illinois, will operate a 12,000-square-foot retail store with a higher DIY appeal and wider offering than the original south side unit:

- Lee will cater to professionals like architects and builders, offering an in-store conference room and resource center complete with a computer-aided design (CADsystem. Because it is the exclusive distributor for Marvin Windows in Chicago, the retail space and a display room will feature the line;
- The store hopes to establish a niche with home automation and home security products, including a referred installer for higher end home security systems;
- While price is a consideration at the south side unit, particularly in faucets, the north side unit will concentrate more on the upscale renovation needs of the area. It expects to lower the contractor-DIY sales ratio of the south side (80 percent contractor) to 70 percent.

Baumgarten, in opening this unit, had to make some budgetary choices, though. For example, he decided it would be better to spend dollars bringing in higher end merchandise to be able to go against competition such as Handy Andy. But that meant the store, with its 30-foot-high ceiling, is going to have to do without air conditioning and use less expensive fixtures.

Rick Baumgarten, president of Lee Lumber. NHCN photo

Of Handy Andy's operation, Baumgarten said, "There's enough business for both of us." Unlike the "one price for all" policy followed by Handy Andy, though, Lee will offer negotiated discounts to contractors and large accounts such as McCormick Place Exposition Center.

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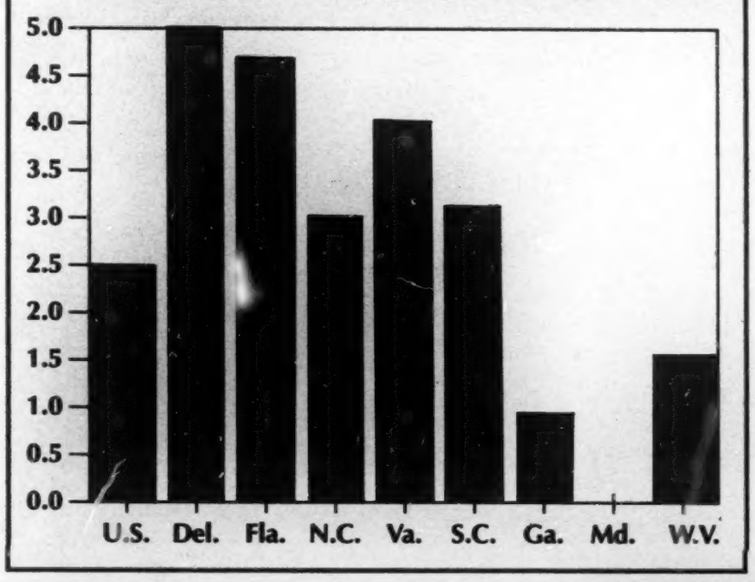
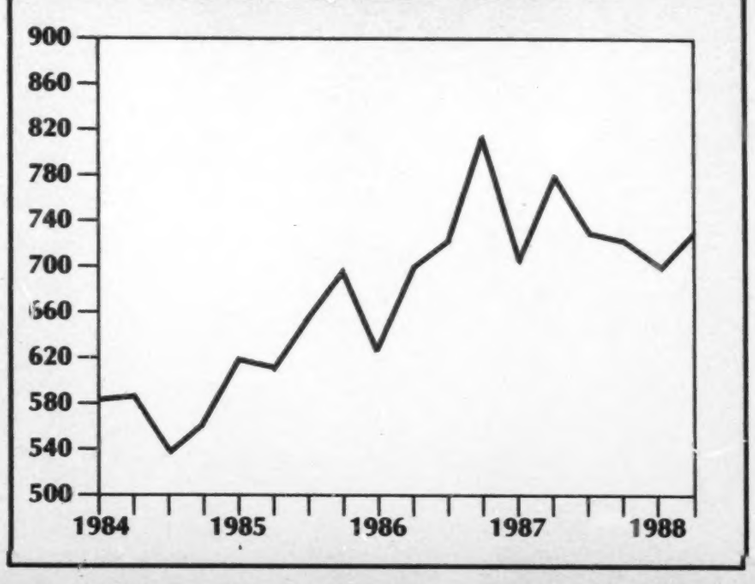
Business Watch

Section 4

Stronger gains in employment . . .



. . . and a recovery in resales . . .



. . . will push South Atlantic sales higher.

South Atlantic area economy to outpace the national average

By Richard E. Mount
Special to NHCN

Building material retail sales in the South Atlantic states, expected to increase 9.1 percent in 1988, will exceed the projected national gain of 7.6 percent.

Adjusted for inflation, the advance in unit volume for the region will be 7 percent. This gain contrasts with the 1.7 percent decline experienced in 1987 when problems in the resale market harmed building material demand.

The region's economy is now growing faster than the national average. Total employment in the South Atlantic is up 2.9 percent versus 2.5 percent for the U.S. Specific strengths lie in government, finance and trade.

Richard E. Mount

The region's financial sector was not harmed as much as the national average. Strength in the regional economy, in general, and finance, in particular, has boosted the need for business services.

Delaware is the strongest state in the region—employment is up 5 percent from a year ago and unemployment is a low 3.1 percent as financial and business services are growing rapidly in the Wilmington area. Florida is the second strongest state in the region, with employment up 4.7 percent.

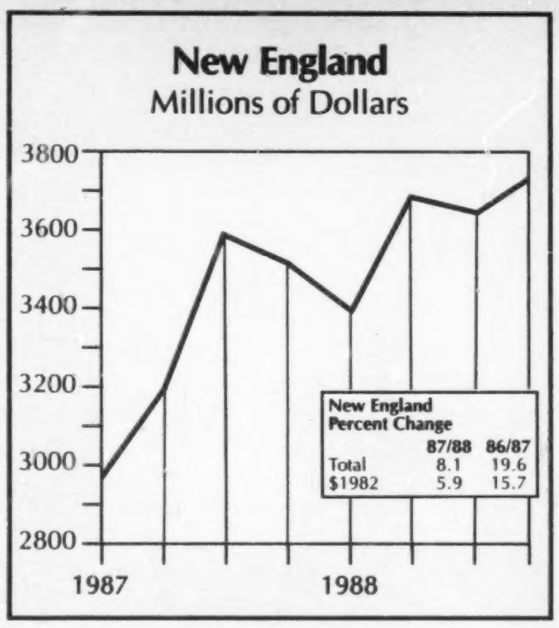
North Carolina is the third strongest state. Employment is up only 3 percent, but the unemployment rate has fallen to 3.2 percent and retail sales lead last year by 11.5 percent.

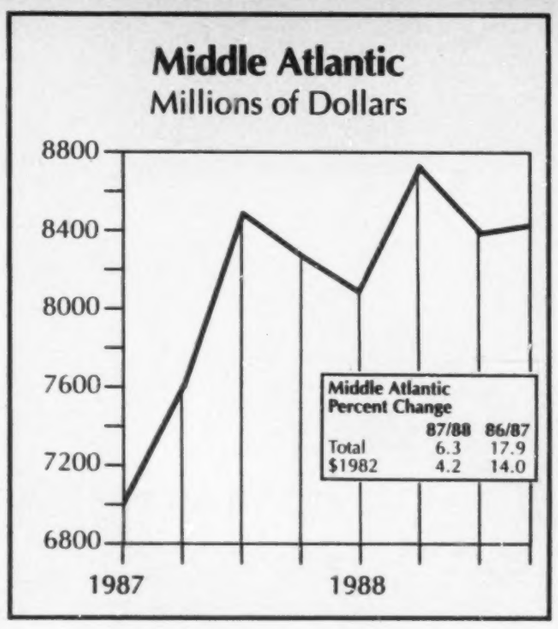
Virginia shows average growth. Employment rose 4.1 percent from last year, but retail sales are up only 5.2 percent and there is weakness in manufacturing. South Carolina is experiencing a rise in employment of 3.2 percent with soft gains in manufacturing. The District of Columbia, Georgia, Maryland, and West Virginia are the weak states in the region.

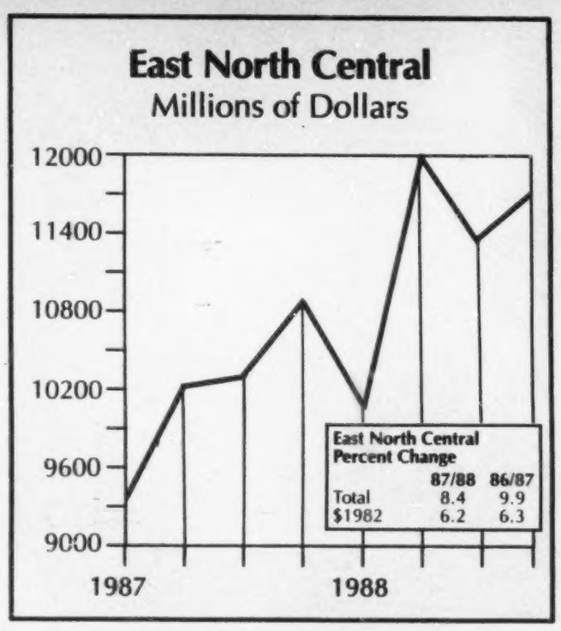
West Virginia is still recovering from the fall in the energy markets. The unemployment rate stands at 9 percent, the highest in the region.

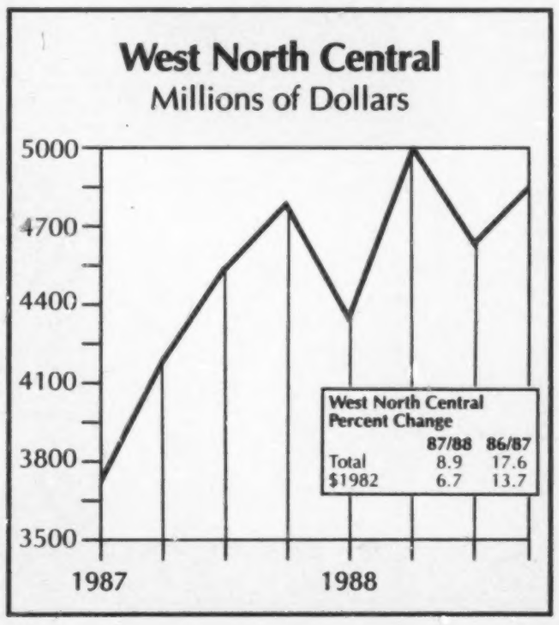
Richard Mount is president and chief economist with Mount Economic Consulting.

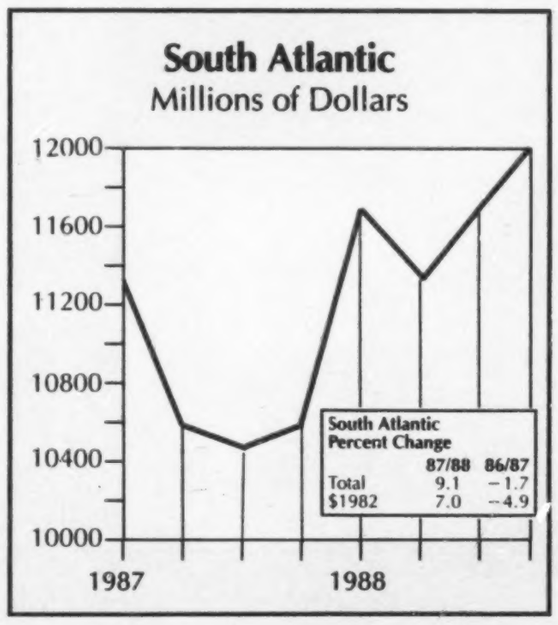
Regional Outlook: Building Material Sales

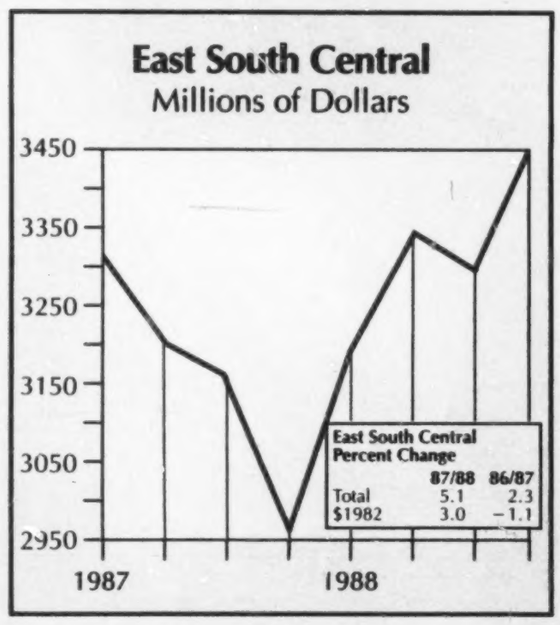


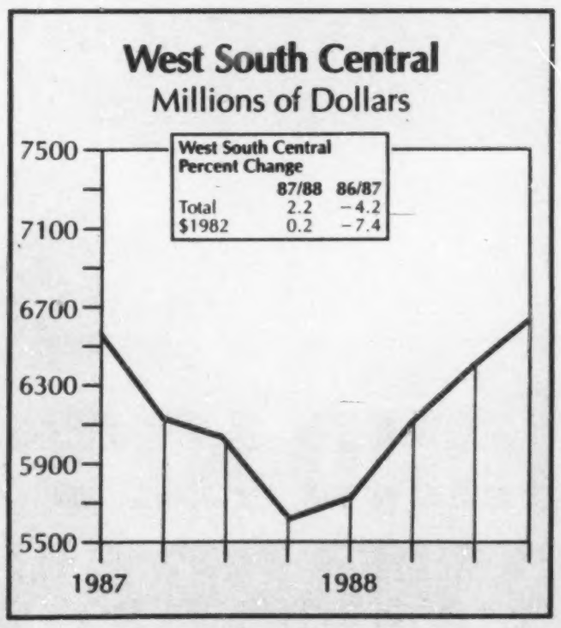


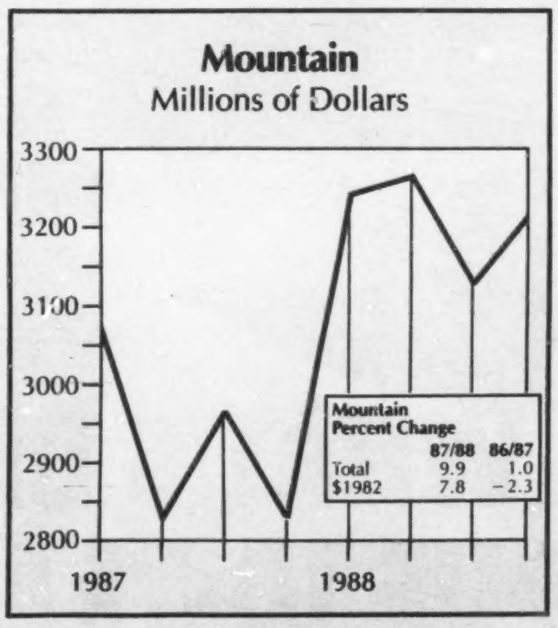


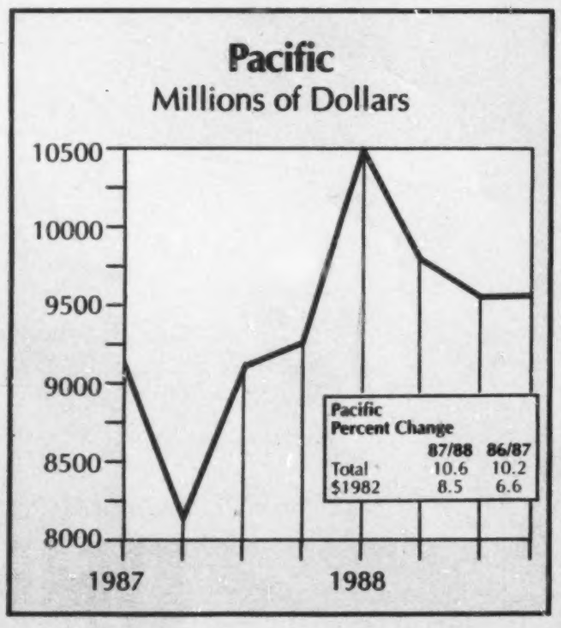












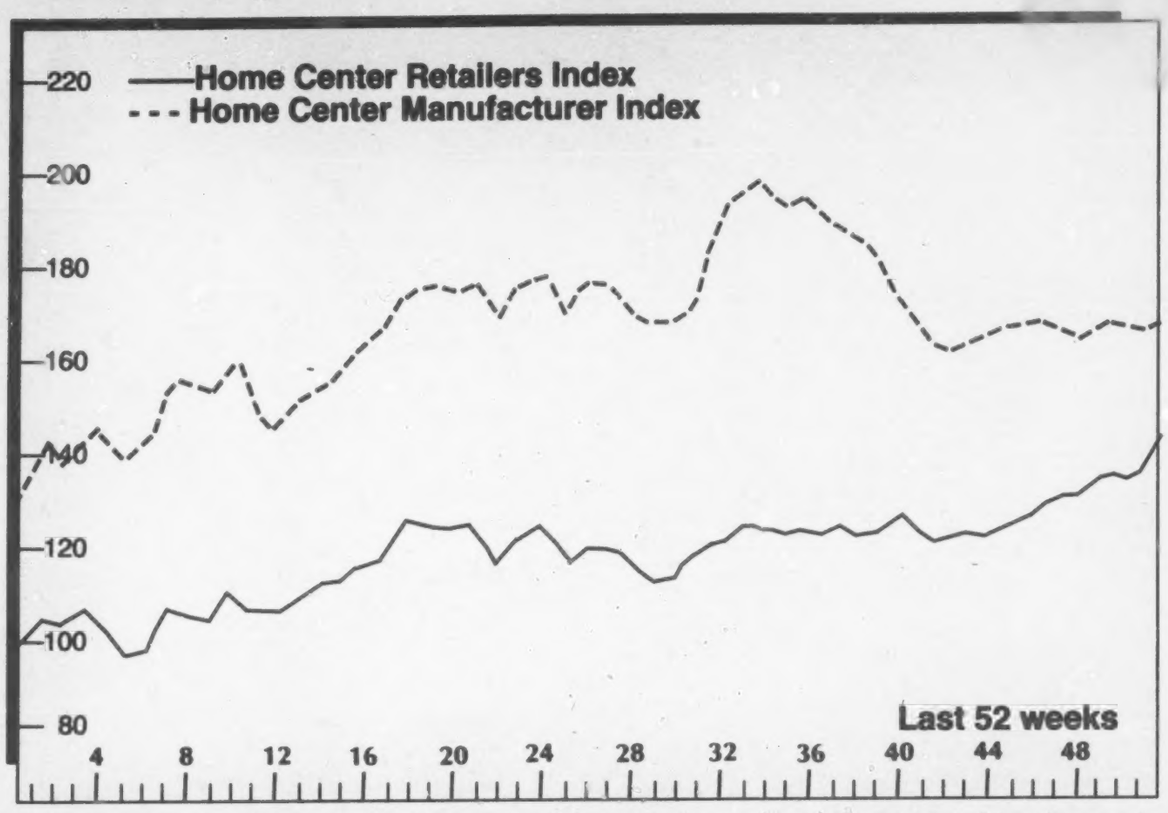
Data: Department of Commerce
Bureau of Labor Statistics
National Association of Realtors
Department of Housing and Urban Development

The Home Center Industry Outlook runs in two parts, in alternate issues. The first part includes latest data on the General Economic Outlook; Residential Alterations & Repairs; and Retail Trade Activity. The second part includes latest data on regional building material & supply store sales. The *NHCN* Leading Indicator runs every issue on page 5.

SAAR—Seasonally Adjusted Annual Rate
p—projection
NHCN chart

Business Watch

stocks



The home center retailer and manufacturer stock market indices are a measurement of the changes in aggregate market value compared to their value on October 28, 1988, which has been set to equal 100 on the index. Aggregate market value is the sum of each stock's price multiplied by its number of shares outstanding, adjusted to eliminate the effects of additions or deletions to the *NHCN* stock list.

Stocks remain on an even keel

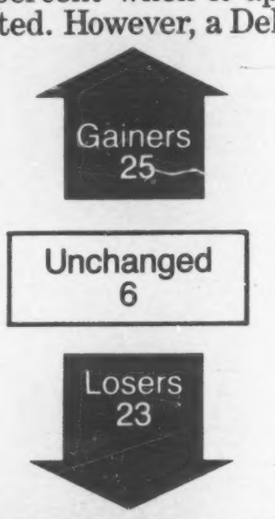
The home improvement industry fell about evenly between winners and losers on the Stock Market for the two weeks ended Oct. 28, with 25 companies showing gains in their stock prices, 23 losses and six remaining the same.

Among retailers, investors holding Wickes Cos.'s stock were the beneficiaries of two investment firms making an $11.25 per share bid for the Santa Monica, Calif.-based conglomerate, whose stock price jumped 28.8 percent to $9.50. More modest gains were achieved by Wolohan Lumber (7.5 percent to $16.13 per share) and Lowe's Cos. (6.8 percent to $23.63).

Strober Organization saw its stock price decline in this period by 7.9 percent, and Interco—the parent of Central Hardware—fell 4.7 percent when it appeared the hostile takeover bid for that company was thwarted. However, a Delaware court on Nov. 1 invalidated Interco's poison pill, which appears to lead the way to the Rales brothers' investor group taking control of Interco.

The two-week period was not kind to manufacturers, however, with very few gainers. Clairson International, the maker of Closet Maid organizers, saw its price rise 11.6 percent to $6. And Nortek, the conglomerate that owns Dixieline Lumber and Universal-Rundle, increased in price by 11.1 percent to $7.50.

Manville, which appears ready to break out of its Chapter 11 bankruptcy protection, declined by 11 percent to $2 per share, and the DeSoto, whose management is reportedly reacquiring its shares, fell by 13.4 percent to $38.75.



National Home Center News

HOME CENTER MARKET SUMMARY

Company and Market	Stock Market: Price: 2-Weeks Ended 10-28-88	2-Weeks Change: Amt.	2-Weeks Change: Pct.	2-Week Range: High	2-Week Range: Low	52-Week Range: High	52-Week Range: Low	Volume: 2-Weeks Shares Traded: Total	Volume: 2-Weeks Shares Traded: % Out	Volume: 12-Week Avg. Vol. As % Out	Volume: Volume Trend Change	Financial Update: P/E Ratio	Indicated Divd. Rate: Amt.	Indicated Divd. Rate: Yld.	Latest Report: New Report	Latest Report: Period	Latest Report: Date Ended	Latest Quarter: Revenue: Amt.	Latest Quarter: Revenue: Chg.	Latest Quarter: Net Income: Amt.	Latest Quarter: Net Income: Chg.	Latest Quarter: E.P.S.: Amt.	Latest Quarter: E.P.S.: Chg.	Year-to-Date: Revenue: Amt.	Year-to-Date: Revenue: Chg.	Year-to-Date: Net Income: Amt.	Year-to-Date: Net Income: Chg.	Year-to-Date: E.P.S.: Amt.	Year-to-Date: E.P.S.: Chg.
-	$	$	%	$	$	$	$	(100)	%	%	%	-	$	%	-	-	-	$Mil	%	$Mil	%	$	%	$Mil	%	$Mil	%	$	%
Retailers																													
Gen Bldg Prods ..... M	4.50	- .25	- 5.3	4.75	4.25	6.50	4.00	455	1.13	.38	197.4	26.5	.00	.0	NEW	9 mos.	08-88	21.9	11.2	.1	- 87.5	.02	- 89.5	56.5	14.1	.3	- 83.3	.07	- 85.4
Grossman's Inc ..... M	5.75	.00	.0	5.88	5.50	8.38	4.13	8,245	3.16	2.03	55.7	12.0	.00	.0	NEW	9 mos.	09-88	321.9	1.6	10.0	4.2	.38	- 13.6	855.8	4.4	12.6	11.5	.48	- 9.4
Hechinger A ..... M	18.13	1.00	5.8	18.13	17.25	20.25	14.25	7,430	3.63	2.54	42.9	NA	.16	.9	.....		00-00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Hechinger B ..... M	18.00	.75	4.3	18.25	17.00	20.00	15.50	373	.24	.35	- 31.4	15.1	.06	.3	.....	6 mos.	07-88	284.1	39.4	15.1	23.8	.40	5.3	522.9	41.9	23.9	20.7	.64	3.2
Home Depot ..... N	28.00	- .75	- 2.6	30.00	27.63	30.00	15.50	8,438	1.70	1.48	14.9	21.4	.12	.4	.....	6 mos.	07-88	518.2	35.9	21.6	38.5	.42	27.3	964.8	34.9	40.8	43.7	.80	29.0
INTERCO Inc ..... N	66.63	- 3.25	- 4.7	71.75	64.50	73.63	29.50	41,091	11.36	7.50	51.5	18.0	1.72	2.6	.....	6 mos.	08-88	491.1	- 41.7	34.8	- 9.4	.93	3.3	1269.2	- 21.9	65.5	.9	1.73	13.8
K mart Cp ..... N	37.50	.25	.7	38.75	36.50	39.75	24.38	65,005	3.19	1.60	99.4	10.6	1.32	3.5	.....	6 mos.	07-88	6684.1	6.0	162.8	12.0	.81	14.1	12525.9	5.3	283.6	8.7	1.41	10.2
Lowe's Cos ..... N	23.63	1.50	6.8	24.38	22.00	24.38	15.25	5,447	1.39	.58	137.9	13.7	.48	2.0	.....	6 mos.	07-88	704.6	- 2.8	26.4	15.8	.70	22.8	1295.2	.1	41.5	16.2	1.09	21.1
NHD Stores ..... M	7.00	- .50	- 6.7	7.50	7.00	8.00	3.75	125	.92	1.17	- 21.4	10.4	.00	.0	.....	6 mos.	07-88	15.2	11.8	.6	20.0	.45	40.6	25.0	11.6	.5	.0	.39	11.4
Natl Lumber ..... M	2.38	- .13	- 5.0	2.63	2.38	4.00	2.25	81	.14	.20	- 30.0	NE	.00	.0	.....	*	07-88	NC	NC	NC	NC	NC	NC	79.6	NC	- 1.0	NC	- .17	NC
Payless Cash ..... N	26.88	.00	.0	0.00	23.97	27.50	9.63	0	.00	.06	-100.0	32.4	.16	.6	.....	6 mos.	05-88	537.9	10.0	17.2	6.2	.51	8.5	895.6	9.1	19.8	.5	.59	3.5
Scotty's Inc ..... N	12.63	.13	1.0	12.88	12.38	15.25	11.88	1,384	.95	.40	137.5	16.6	.52	4.1	.....	fiscal	06-88	156.3	14.6	2.8	- 15.2	.20	- 13.0	550.8	6.9	11.1	7.8	.76	7.0
Sears, Roebuck ..... N	43.63	2.63	6.4	46.00	39.38	46.00	29.75	179,280	4.74	1.14	315.8	10.0	2.00	4.6	NEW	9 mos.	09-88	13350.0	9.5	344.2	- 15.8	1.41	30.6	38490.0	11.9	893.1	- 17.9	2.86	.0
Std Brd Pnt ..... N	14.00	- .50	- 3.4	15.50	13.63	22.50	10.63	2,860	5.44	2.64	106.1	NE	.00	.0	.....	6 mos.	07-88	81.8	3.7	1.5	- 64.3	.20	- 60.8	155.6	- 1.4	2.6	- 69.4	.33	- 68.0
Strober Organiz ..... M	8.75	- .75	- 7.9	10.00	8.75	12.25	6.25	274	.45	.26	73.1	11.8	.00	.0	.....	6 mos.	06-88	38.4	46.0	1.4	- 12.5	.24	- 7.7	66.5	39.7	1.8	- 30.8	.30	- 30.2
Wickes Cos ..... N	9.50	2.13	28.8	9.88	7.38	14.13	6.50	147,740	30.93	10.91	183.5	6.4	.00	.0	.....	6 mos.	07-88	937.9	- 35.5	- 12.4	- 100.0	- .09	- 100.0	1866.0	- 37.7	- 15.0	- 100.0	.08	- 94.2
Wolohan Lumber ..... M	16.13	1.13	7.5	16.50	15.25	17.13	8.88	2,189	3.75	1.16	223.3	8.5	.24	1.5	NEW	9 mos.	09-88	74.6	12.7	3.8	40.7	.64	39.1	193.5	12.6	8.4	33.3	1.43	33.6
Zayre Corp ..... N	25.75	.13	.5	26.75	24.38	27.13	13.50	50,611	9.02	7.55	19.5	NM	.40	1.6	.....	6 mos.	07-88	1547.0	10.3	- 21.9	- 100.0	- .39	- 100.0	2997.9	11.1	- 17.4	- 100.0	- .31	- 100.0
Wholesalers																													
Hughes Supply ..... N	17.38	- .13	- .7	17.50	17.00	19.44	14.00	584	1.20	.47	155.3	8.9	.32	1.8	.....	6 mos.	07-88	128.1	17.4	2.5	13.6	.52	15.6	244.6	19.4	4.6	9.5	.95	13.1
Moore Handley ..... M	4.00	.00	.0	4.00	4.00	5.50	3.75	16	.07	.21	- 66.7	NE	.20	5.0	.....	6 mos.	06-88	27.6	17.9	.1	- 75.0	.04	- 71.4	53.4	13.6	.0	- 100.0	.02	- 92.9
Manufacturers																													
Am Consum Prods ..... M	9.75	- 1.00	- 9.3	10.25	9.75	12.50	7.19	47	.18	.29	- 37.9	13.5	.00	.0	.....	6 mos.	06-88	18.6	77.1	.5	25.0	.18	12.5	36.1	83.2	.9	28.6	.35	29.6
Am Woodmark ..... M	9.75	- .13	- 1.3	9.88	9.63	9.88	5.91	91	.12	.47	- 74.5	12.7	.00a	.0	.....	3 mos.	07-88	36.9	16.0	1.8	38.5	.24	41.2	36.9	16.0	1.8	38.5	.24	41.2
Armstrng Wrld ..... N	37.00	1.50	4.2	39.38	34.75	44.00	24.00	15,979	3.46	1.80	92.2	10.6	1.00	2.7	.....	6 mos.	06-88	671.1	12.5	46.2	12.4	1.00	14.9	1300.6	14.3	85.2	16.7	1.84	19.5
Black & Decker ..... N	22.88	1.88	8.9	23.13	20.75	24.75	14.38	25,087	4.25	1.12	279.5	15.1	.40	1.7	.....	9 mos.	06-88	539.3	16.0	21.4	137.8	.36	140.0	1689.4	17.9	73.7	81.5	1.25	81.2
Boise Cascade ..... N	42.25	- .75	- 1.7	44.25	42.00	50.00	34.19	17,391	3.86	1.19	224.4	7.2	1.40	3.3	NEW	9 mos.	09-88	1036.3	3.9	71.9	42.7	1.58	54.9	3059.8	7.5	212.7	69.1	4.64	85.6
Catalina Lgtg ..... A	9.00	- 1.00	- 10.0	9.88	8.50	10.75	3.00	1,090	3.52	1.58	122.8	NA	.00	.0	.....		00-00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Champ Intl ..... N	32.38	1.25	4.0	35.00	30.63	38.13	25.38	32,244	3.39	1.61	110.6	7.4	1.00	3.1	NEW	9 mos.	09-88	1285.7	7.2	122.4	38.0	1.29	37.2	3814.1	10.3	336.6	12.2	3.54	11.7
Clairson Intl ..... M	6.00	.63	11.6	6.50	5.25	8.50	4.25	1,164	2.29	1.36	68.4	NE	.00	.0	.....	9 mos.	06-88	27.2	46.2	- 2.1	- 100.0	- .43	- 100.0	78.4	45.7	- 4.3	- 100.0	- .85	- 100.0
Coleman Co ..... N	39.75	- .63	- 1.5	41.50	39.63	41.50	28.25	1,549	2.20	1.18	86.4	11.4	1.20	3.0	NEW	9 mos.	09-88	159.0	8.4	3.9	30.0	.55	34.1	516.9	11.0	22.7	31.2	3.23	31.8
Cooper Indus ..... N	53.50	.88	1.7	53.88	52.13	62.75	45.75	8,090	1.60	1.03	55.3	14.0	1.80	3.4	.....	6 mos.	06-88	1049.2	17.2	60.4	33.0	1.18	29.7	1974.7	16.5	92.6	26.8	1.82	23.8
DeSoto Inc ..... N	38.75	- 6.00	- 13.4	44.75	36.75	46.00	21.00	7,509	18.81	5.60	235.9	52.4	1.40	3.6	NEW	9 mos.	09-88	98.0	- 1.2	- 2.6	- 100.0	- .66	- 100.0	317.5	3.0	3.3	- 69.7	.82	- 70.1
Emhart Corp ..... N	21.25	.75	3.7	21.63	20.25	24.00	17.25	14,978	2.42	.84	188.*	11.1	.80	3.8	NEW	9 mos.	09-88	643.5	15.3	26.9	15.5	.43	16.2	2039.3	13.9	93.1	16.2	1.50	17.2
Georgia Pacific ..... N	35.88	- .13	- .3	36.63	35.50	42.88	29.25	28,011	2.76	1.14	142.1	8.0	1.20	3.3	.....	9 mos.	09-88	2409.0	- .6	114.0	- 3.4	1.19	8.2	6942.0	8.9	338.0	- 2.3	3.41	7.9
Insilco Corp ..... N	31.50	.00	.0	0.00	23.97	31.63	14.00	0	.00	4.10	-100.0	NE	1.00	3.2	.....	6 mos.	06-88	196.4	13.6	11.7	10.4	.55	10.0	382.6	9.8	21.7	17.9	1.02	17.2
La Pacific ..... N	29.00	.25	.9	30.00	28.75	37.50	24.50	8,891	2.30	1.09	111.0	7.2	.92	3.2	NEW	9 mos.	09-88	462.9	- 13.0	36.7	- 13.8	.96	- 13.5	1351.1	- 6.4	122.4	30.6	3.19	30.2
Macmillan Bloedel ..... M	15.13	.63	4.3	15.13	14.63	18.50	12.88	5,631	.55	.25	120.0	NA	1.05	NA	.....	6 mos.	06-88	851.5	5.5	94.5	26.7	.89	30.9	1648.0	8.0	186.1	37.9	1.74	42.6
Manville Cp ..... N	2.00	- .25	- 11.1	2.50	2.00	3.50	1.75	28,189	11.74	6.23	88.4	.4	.00	.0	NEW	9 mos.	09-88	584.3	6.7	53.5	10.1	1.96	11.4	1647.5	6.9	122.3	- 7.8	4.31	- 9.1
Masco Corp ..... N	26.75	- .38	- 1.4	28.00	26.00	30.38	19.00	12,966	.98	.91	7.7	13.9	.48	1.8	.....	6 mos.	06-88	659.0	34.8	85.5	29.9	.60	20.0	1215.0	29.4	165.1	36.1	1.20	30.4
Mor-Flo Inds ..... M	5.25	.00	.0	5.75	5.25	7.75	4.50	280	1.11	.48	131.3	NE	.01	.2	.....	6 mos.	06-88	54.1	8.6	- 3.5	- 100.0	(1.38)	- 100.0	109.5	4.0	- 3.9	- 100.0	(1.56)	- 100.0
Newell Co ..... N	27.63	2.25	8.9	29.63	25.00	29.63	10.56	8,635	3.71	.78	375.6	14.7	.60b	2.2	NEW	9 mos.	09-88	264.5	20.9	18.9	68.8	.70	89.2	734.5	77.1	40.2	68.9	1.40	55.6
Nortek Inc ..... N	7.50	.75	11.1	8.25	6.75	10.38	5.50	8,249	5.42	1.22	344.3	NE	.10	1.3	.....	6 mos.	06-88	368.7	10.7	9.4	370.0	.64	392.3	706.0	13.2	11.5	2.7	.78	11.4
Owens Corn ..... N	22.38	- .63	- 2.7	23.25	21.88	26.50	12.00	9,155	2.29	1.14	100.9	4.2	.00	.0	NEW	9 mos.	09-88	760.0	NC	59.0	NC	1.41	NC	2127.0	NC	139.0	NC	3.34	NC
Ply-Gem ..... A	12.25	.13	1.0	12.75	12.00	15.63	9.13	2,266	2.11	.88	139.8	13.5	.12	1.0	.....	6 mos.	06-88	106.1	29.2	6.3	65.8	.56	75.0	195.5	28.0	9.7	36.6	.86	41.0
Pope & Talbot ..... N	19.50	3.25	20.0	20.50	16.13	23.00	12.00	6,510	5.52	1.08	411.1	7.7	.50	2.6	NEW	9 mos.	09-88	123.3	8.6	8.5	21.4	.71	20.3	361.0	12.8	23.3	11.5	1.95	12.1
Potlatch Cp ..... N	30.50	.13	.4	31.00	30.00	33.38	22.75	3,435	1.28	.47	172.3	8.2	1.04	3.4	NEW	9 mos.	09-88	273.7	10.9	28.3	25.2	1.02	25.9	798.7	8.0	79.3	26.5	2.85	27.2
PPG Inds ..... N	41.50	- 2.13	- 4.9	44.13	41.25	46.88	29.00	18,388	1.68	.72	133.3	10.0	1.36	3.3	NEW	9 mos.	09-88	1361.1	8.0	112.9	23.7	1.03	35.5	4185.0	8.6	365.3	30.2	3.32	41.9
Rep Gypsum ..... N	5.25	- .38	- 6.7	5.50	5.13	6.88	4.63	422	.42	.25	68.0	26.3	.36	6.9	.....	fiscal	06-88	12.8	- 5.9	.7	- 22.2	.07	- 12.5	52.1	- 8.3	2.0	- 53.5	.20	- 51.2
Sherwin-Wms ..... N	26.75	- 1.00	- 3.6	28.38	26.75	31.63	20.13	7,975	1.82	1.16	56.9	11.5	.64	2.4	NEW	9 mos.	09-88	547.0	6.8	37.8	1.9	.86	3.6	1501.0	8.4	82.4	8.0	1.87	10.7
Stanley Works ..... N	27.38	1.25	4.8	27.50	26.13	31.75	21.75	10,590	2.47	.98	152.0	11.9	.96	3.5	NEW	9 mos.	09-88	470.0	3.5	25.7	23.0	.59	22.9	1422.8	9.1	73.1	21.0	1.69	21.6
Thos Inds ..... N	20.13	- 2.50	- 11.0	23.00	20.00	24.50	13.81	1,867	1.79	.63	184.1	11.3	.72	3.6	NEW	9 mos.	09-88	89.0	8.0	4.1	10.8	.39	8.3	262.0	8.5	13.8	12.2	1.31	12.0
Union Camp ..... N	33.38	.00	.0	35.50	33.13	38.38	31.13	17,034	2.48	1.04	138.5	8.5	1.24	3.7	NEW	9 mos.	09-88	669.8	14.8	75.1	32.9	1.09	41.6	1975.3	16.3	216.7	45.9	3.11	54.0
USG ..... N	6.38	- .75	- 10.5	7.25	6.38	7.75	6.38	13,720	2.64	2.80	- 5.7	3.3	.00	.0	NEW	9 mos.	09-88	586.6	- 22.1	2.6	- 94.1	.04	- 95.3	1708.0	- 21.4	82.9	- 55.7	1.59	- 56.2
Waxman Ind ..... M	9.25	- .13	- 1.3	10.13	9.25	12.25	4.84	2,303	2.51	1.28	96.1	12.3	.10	1.1	NEW	3 mos.	09-88	50.0	43.7	1.6	23.1	.18	28.6	50.0	43.7	1.6	23.1	.18	28.6
Weyerhaeuser ..... N	24.50	.50	2.1	25.38	24.00	29.50	19.94	42,738	2.10	.96	118.8	9.6	1.20	4.9	NEW	9 mos.	09-88	1960.0	7.7	144.8	14.8	.70	18.6	5910.1	13.5	409.6	29.1	1.95	29.1

All Data are based on sources believed to be reliable, but its accuracy is not guaranteed. Every effort will be made to correct errors, when discovered, in future issues.

Reporting period
3 mos.—First quarter of fiscal year
6 mos.—First six months of fiscal year
9 mos.—First nine months of fiscal year
Fiscal—Fiscal year
NEW—New report since last issue

Last 52 Weeks

General Field Footnotes
NA—Not available or not applicable
NC—Data required for calculation currently incomplete in our files
NE—Negative earnings invalidate calculations
NM—No meaningful figure
a—Under dividend amount, indicates a stock dividend
b—Indicates cash plus stock dividend when applied to dividend amount column

P/E Ratio—Price/earnings ratio
E.P.S.—Earnings per share
Market
N—New York Stock Exchange
A—American Stock Exchange
O—NASDAQ Over-the-Counter
M—NASDAQ National Market
*Two-week average volume equals the number of shares traded divided by the number of shares outstanding during the latest two-week period. Twelve-week average volume equals the number of shares traded divided by the number of shares outstanding over the previous 12 weeks.

All earnings data and all related calculations using earnings data use primary earnings from total operations and after taxes. Earnings are before extraordinary items, when such items are applicable.

Data and Table Provided by Media General Financial Services Inc., Richmond, Va. 23219

U.S. companies finding some success in export war

(Continued from page 1)

With the help of the weakened dollar, American suppliers have closed a $2 billion annual trade gap for wood building materials by increasing this year's exports some 44 percent, according to the U.S. Commerce Department.

In hand tools, exports exceeded $200 million for the first eight months of this year, an increase of nearly 14 percent over the comparable period a year ago and a significant reduction in the category's trade deficit, Commerce Department officials said.

Moreover, overseas markets could continue to expand for American companies, industry sources said, compensating for flat domestic sales.

With Americans expected to build fewer homes in the 1990s than in the recent past, a number of building products companies are in hot pursuit of what is seen as a booming housing market in Japan.

For example, Bohemia, the Eugene, Ore.-based supplier, hired Chris Rogers to supervise overseas distribution of its glulam beams based on Rogers' fluency in Japanese and knowledge of the country from living there as part of the Japanese studies program at the University of Oregon.

One of Weyerhaeuser's Oregon mills is dedicated exclusively to producing framing lumber to meet Japanese specifications. "In Japan, household prosperity has not kept pace with economic growth," said Don Baron, the company's international marketing manager.

He said the Japanese government has adopted a policy of improving housing stock. And the Japanese work week is shrinking, creating more time for DIY projects.

At the same time, American suppliers are filling a vacuum left in Oriental markets after southeast Asian nations curtailed log exports, said Donald Butts, director of the Commerce Department's Forest Products Division. The decision to cut those shipments resulted from a desire to process the logs at home, a policy that could remain in effect for some time, observers said.

Thus Japan is expected to continue to reduce tariffs on lumber and plywood, said Weyerhaeuser's Baron.

But in the case of plywood, reduced tariffs may not mean much for some companies.

Doug Bartels, Boise Cascade's communications director, said plywood represents the "lion's share" of his company's exports. But the primary export markets are in Europe.

Japanese builders have proved slower than their European counterparts to accept plywood as a building material, Bartels said.

While demand is increasing in Japan and Europe for U.S.-made building supplies, tool makers here have been in the vanguard position among hardlines suppliers for renewing acquaintances abroad now that the declining dollar has made their products more attractive overseas.

American tools retain a "Cadillac" image in many countries, making them very attractive if prices are competitive, said Hal Juckett, export manager for Union Fork and Hoe, the Columbus, Ohio, lawn and garden tool supplier.

While hand tool exports were rising by almost 14 percent in the first eight months of this year, hand saw and blade exports shot up by nearly 38 percent, to more than $37 million during the same period, the Commerce Department said.

Rick Keup, vp-sales for Ames, the company that recently opened a New York export office, said sales abroad have increased "dramatically" in the last 18 months for his company, partly because of the current favorable currency exchange rate and partly from the increased emphasis on exporting.

The emphasis on exporting will soon find American Tool, the Lincoln, Neb., manufacturer that exports a third of its production, using packaging in Spanish, said Gunnar Birnum, marketing vp for the international division.

The overseas market, however, is not all trimmed in gold, and not every supplier can move his company's merchandise into European, Asian or African stores.

In Asia, some U.S.-made products remain too expensive or too well-made for their indigenous use. And in Europe, American products may not be good enough.

"The hardware in German windows, you could build a bridge with," said Jack Ullrich, manager of sales promotions for Bayport, Minn.-based Andersen Windows.

NAW updates study on wholesaling future

(Continued from page 7)

Forces of Change," is based on data compiled from questionnaires filled out by 682 industry "experts" that went across 120 commodity lines and 350 key industry issues.

Wholesale distribution accounts for one-third of the Gross National Product currently, but is still a "silent" industry, said Dolan, and does not get the notoriety of other businesses.

From 1982 to 1985, the industry grew in sales by 4.5 percent annually. However, it decreased in size by 20,000 companies, to 320,000. And while the Dow Jones Industrial Average rose 300 percent from 1982 to 1986, stocks of publicly held distribution companies went up only 80 percent. One of the reasons is that last year, wholesalers ranked only 28th among all industries in output per man hour.

"The essence of the new study is that the industry is positioned at a mature stage of its life cycle and must find ways to compete against new channels," which include direct sales by manufacturers, and wholesale and price clubs, said Dolan. "Distributors need to be more productive and use more technology."

Wholesalers face the reality that warehouse retail sales—from companies as diverse as The Home Depot to The Price Club—are expected to be $35 billion by 1995. "These people are nicking away at your business," said Dolan.

Consequently, the DREF panelists expect wholesalers will need to become more price competitive, with margins projected to dip slightly from an average 21.6 percent in 1987 to 21.2 percent in 1995. Nondurables will incur a sharper dip to 18 percent from 19.9 percent.

Large distributors are expected to increase their market share by one-third over the next seven years and account for 24 percent of the industry's total companies and 38 percent of sales, mostly through consolidation.

The number of total wholesale companies is expected to drop by 23 percent to 245,000 in 1995. However, Dolan believes that smaller distributors, because of their flexibility to service market niches, have a better chance of survival than midsized companies.

That survival, for both large and small firms, will be contingent upon a shift in business priorities. For example, where 78 percent of a wholesaler's sales last year came from "traditional" distribution functions, that figure is expected to fall to 68 percent, with more volume coming from such services as direct mail and catalogs, processing and remanufacturing, and providing retail sales information.

Wholesalers must devise programs that address changing dealer attitudes about dealing with distributors. Where more than two in five dealers thought price was the most important factor last year, the DREF panelists see delivery as gaining in significance over the next few years.

So delivery fill rates are expected to improve dramatically for surviving wholesalers. Where a third gets product to dealers in less than two days now, 40 percent should achieve that fill rate by 1995.

Another facet of survival will be distributors' willingness to modernize their businesses through technology.

However, where more than 70 percent of what distributors spent on technology last year was for hardware such as mainframes and terminals, by 1995 that will fall to 44 percent, with one-fifth of a distributors' technology budget going to computerized communications equipment for such things as telemarketing and electronic ordering.

He also noted that the use of bar coding is poised to become standardized among wholesalers. Where only 10 percent of what wholesalers ship is bar coded today, between 50 percent and 60 percent will be stickered by 1995.

Producer disputes OSHA regulations

(Continued from page 6)

warned about, and what is simple exposure," he said.

By way of example, he said that OSHA allows the level of formaldehyde to exist in a workplace to be one part per million, and held up a sign that would have to be posted in that event. Howlett then indicated that if OSHA's HazCom standards go through, manufacturers would have to inform dealers if a product contained formaldehyde at one-tenth that level.

"The human body contains 81 grams of formaldehyde, one million fold more than what the body would contain in a work place with one part per million," he said.

Focusing on the difference between "potential" product hazards, which he believes should require notification, and "inherent" hazards, which is how OSHA is now defining dangers, Howlett noted that the agency now would consider an uncut 2x4 a "container" of wood dust which is emitted when the product is sawed.

The law states that all employees, not just those working for manufacturers, be alerted to potential risk. So anyone who makes lumber could be required to send out Material Safety Data Sheets (MSDS) to retailers.

"There are 34,000 facilities making 2x4s, and you are going to be inundated with paperwork unless the government finds some way to standardize and simplify the MSDS's for manufacturers," Howlett said.

In a telephone interview from his Washington office James Foster, OSHA's director of public affairs, thought Howlett's contentions were disingenuous. He also called an exaggeration the suggestion that lumber in its "natural" form would require an MSDS submission because it will eventually be sawed.

Howlett also discussed California's Prop 65, which seeks to outlaw the discharge of hazardous materials into drinking water, and requires labels on products that may pose significant risk to workers and consumers. This ruling is significant, he said, because "if labeling is required in California, it's going to happen in the other 49 states, too."

Howlett said the government's hazardous product regulations "boil down to 'science policy', " or what he called "the 'one-hit' theory: any exposre level is dangerous.

"We disagree," he said. "We live in a world where people are living longer than ever. You can measure chemicals in all kinds of things, but the question is whether the measurement means anything."

Foster of OSHA, though, took a different viewpoint. "Our whole objective in this exercise is to ensure the safety of employees, who have a right to know what they're working with and what to do if they're exposed."

Lacey departs Canada's Molson

(Continued from page 5)

met with the chain's 50 top vendors last spring to assure them of Northern's solvency.

Lacey, an avid race car enthusiast who drove professionally in his native South Africa, replaces Daniel Siewert. Trump Group president Eddie Trump wouldn't say if Siewert resigned voluntarily.

However, Lacey is coming into a turnaround situation, and has received an equity stake in Northern. "We approached him because we were looking for the very best guy for the job," said Trump.

Lacey joined Molson to run Beaver Lumber on Oct. 1, 1984. He was instrumental in enhancing Beaver's market position in western Canada by acquiring 26 CrownMart and HomeTown stores in Saskatchewan, Alberta and British Columbia in 1987.

In the East, Molson acquired a 34 percent stake in Groupe Val Royal, whose 17 stores were absorbed into the Beaver chain; and a 25 percent interest in Lockharts Limited, with 15 units in Nova Scotia and New Brunswick.

Lacey has also guided his group into virgin retailing territory. In 1986, Molson purchased the 52-unit Lighting Unlimited chain, whose store count Molson intends to double by 1991. (The chain currently runs 62 stores.)

It also initiated a new joint venture, Nühaus Kitchen Systems Ltd., and in May 1987 opened a store in downtown Toronto that features high-end kitchens and appliances. Molson opened two Wares & Wares kitchenware and glassware stores, and two Aikenhead hardware units.

Lacey's legacy of growth, though, has yet to affect Molson's profit. In the fiscal year he joined the company, Molson's retail merchandising group had sales of $501 million (Canadian) from 162 Beaver units and operating profit of $23 million. Last year, the group's volume was $931 million but only $25 million in operating profit from 274 stores, of which 168 were Beavers.

Lloyd's future remains uncertain

(Continued from page 1)

and its current management might have been. Some competitors suspected, though, that Kidder wanted these stores' real estate. Kidder didn't return phone messages.

With the investor presumably out of the picture, Lloyd's future remains in limbo.

Assuming that the latest negotiations end in the chain's sale, American Maize still expects to realize a non-recurring loss of approximately $10 million net on taxes.

But for now it's business as usual at Lloyd's, which opened its 35th store in Fishkill, N.Y., last month.

Channel's market basket program boosts impulse buys

(Continued from page 1)
the stores' Market Centers—was usually centered in a power aisle and the products sold were generally bought from closeout specialists.

The 170-unit chain is now experimenting with out-of-field merchandise and higher profile closeout merchandise.

Bigger ticket goods put in

Doug Logan and Jackie Cvik, Channel's closeout buyers monitoring the Market Basket program, stressed that impulse-buy appeal remains the essential marketing element of the department. But the future promises some "unpredictable" twists.

More products selling for more than $5 will be added, as will larger sized products that don't necessarily fit in the bushel baskets.

Already, Channel's Market Center has shown a shift. Recently, in some units, telephone answering machines were sold for $27.75 and tool boxes were priced $34.97. The company has also stocked what might be considered drug store items like razors and shampoo.

In the past, the Market Basket program included such diverse fare as flashlights, batteries, thermal cooking mitts, drawer knobs, levels, hand tools, tapes, cork screws, and even basting brushes.

"We used to depend on what we considered staple items," Logan said. "There will still be some staple items that we'll continue to buy, but we're looking for all kinds of overruns, packaging problems, and buy backs."

As a result, practically every merchandising category with the exception of food and apparel is fair game for the Market Basket.

Even products too large to fit in the bushel baskets have a place in the Market Basket program on endcaps or in one of the bulk bins in the commodities department.

Helps push weak categories

Cvik said using the endcaps in the Market Basket program permits Channel to experiment with products the company normally would not stock. One "off the wall" product line Cvik said the company recently brought in consisted of vases and artwork. Microwave accessories and telephone accessories also have been included.

"The closeout salvage experts are pretty good and they know what we are looking for," Logan said. "We might not have enough product to put in every store, but the closeout guys know we are a home center and try to fit their products with our needs."

Logan said the inability to put closeout merchandise in every store is often handled by targeting that merchandise to an area where the chain has problems with a full program sold in "regular" departments. That occurred recently when Logan supplied the company's Washington-Baltimore units with closet organizers purchased through a closeout.

Lee Lumber fills a void on Chicago's North Side

(Continued from page 7)
Lee, a family owned business headed by Rick's father, Lee, and second son, Randy, spent an estimated $400,000 to $450,000 on the renovation.

The north side unit's warehouse space will relieve crowding at the south store, but it won't replicate that store's $2 million inventory.

Some functions, such as Lee's prepackaging operation for the city's largest garage builder, will move to the north store. (Lee ships eight garage packages a day.) Its millwork operation will remain south. The new unit will add 34 new employees to the work force.

The entry of Lee Lumber should also benefit the local community. Lee Baumgarten, the company's chairman, is a long-time supporter and chairman of the local Boy's and Girl's Clubs on the south side.

Lee Lumber was a major backer of a 12,000-square-foot playground built in the north side's Oz Park last month. Rather than spend an estimated $225,000 to construct the wooden play structures, more than 2,000 neighborhood residents donated sweat equity to build it and a number of local businesses donated materials. The total cost was under $75,000. Lee underbid three other lumber suppliers and then kicked in a $5,000.

Cotter to open new Florida DC

(Continued from page 6)
Minn., distribution center, stressed that members receive the same level of service in all areas of the country. The Ocala facility will serve Florida, part of southern Georgia and about 20 offshore accounts in the Caribbean and Central America.

Cotter bought the land for the distribution center two years ago and construction began the following year. In most respects, the Ocala facility is similar to the 14 others operated by Cotter. Its 360,000 square feet is about the average size for a Cotter distribution center, as is the 32,000 stockkeeping units that will be carried. The distribution center employs 70 people.

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